

**Company registration number: 07489127 (England and Wales)**

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Annual report and financial statements**

**Year ended 31 August 2012**

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

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**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Reference and administrative details of the Academy, its Governors and Advisors**

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**Governors (Directors)**

K Falvey *FARX* (Chairman)  
P Barker *FP* (Parent Governor)  
J Chitty *FRX* (Parent Governor)  
B Cushing *F* (Staff Governor)  
R Edwards *FARX* (Head teacher and Accounting Officer)  
I Hendry *AP* (Responsible Officer, Parent Governor)  
L Jeffrey *F* (Staff Governor)  
L Kerrison *FPRX* (Staff Governor)  
D Linney *FP*  
D Marchini *FP* (Towcester Learning Trust Governor)  
R Michel *F*  
C Nikel *F*  
D Reynolds *FAP* (Vice Chairman, Parent Governor)  
N Rossini *FA*  
R Savage *A* (Parent Governor, resigned 2 February 2012)  
A Soulsby *F* (Towcester Learning Trust Governor, resigned  
1 November 2011)  
D Wardle *FRX*  
J Whiteman *FRX* (Staff Governor)

**F = Members of the Finance Committee**  
**A = Members of the Audit Committee**  
**P = Members of the Premises Committee**  
**R = Members of the Remuneration Committee**  
**X = Members of the Appointments Committee**

**Associate Governors**

E Edwards  
J Jeffrey

**Company Secretary and Clerk to the Governors**

N Woodhead

**Senior management team:**

- Head Teacher**
- Deputy Head Teacher**
- Assistant Head Teacher**
- Assistant Head Teacher**
  - Director of Finance**

R Edwards  
J Whiteman  
J Jeffrey  
L Jeffrey  
L Kerrison

**Principal and Registered Office**

Balmoral Close  
Towcester  
Northamptonshire  
NN12 6JA

**Company Registration Number**

07489127

**Independent Auditor**

Magma Audit LLP  
Bloxam Court  
Corporation Street  
Rugby  
CV21 2DU

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Reference and administrative details of the Academy, its Governors and Advisors  
(continued)**

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**Bankers**

Lloyds TSB Bank plc  
2 George Row  
Northampton  
NN1 1DJ

National Westminster Bank plc  
173 Watling Street West  
Towcester  
Northants  
NN12 6FZ

**Solicitors**

Stone King LLP  
12 Queen Square  
Bath  
BA1 2HJ

# **Nicholas Hawksmoor Primary School (A company limited by guarantee)**

## **Report of the Governors for the year ended 31 August 2012**

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The Governors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2012.

### **Structure, Governance and Management**

#### **Constitution**

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as trustees for the charitable activities of Nicholas Hawksmoor Primary School and are also directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Nicholas Hawksmoor Primary School.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member or within one year after they cease to be a member, such amount as may be required not exceeding £10, for the debts and liabilities contracted before they ceased to be a member. The Academy has adequate third party indemnity insurance for the period, as defined by Section 234 of the Companies Act 2006.

#### **Principal Activities**

The principal activity of the Charitable Company is to advance, for the public benefit, education in Towcester and the surrounding area by establishing, maintaining and offering a broad and balanced curriculum.

#### **Method of Recruitment and Appointment of Governors**

The Governors are appointed under the terms of Nicholas Hawksmoor Primary Schools articles of association as follows:

Up to 6 Governors

Up to 6 Parent Governors

Up to 4 Staff Governors, comprising of up to 2 teachers and up to 2 Support Staff

Up to 2 governors from the Towcester Learning Trust

The Principal (Headteacher)

The term of office for all governors except the headteacher is 4 years. The headteacher's term of office runs parallel with their contract of employment. The Governors who were in office at 31 August 2012 who served throughout the year except where shown are listed on page 1. The Chair of Governors and Vice Chair of Governors term of office runs for two years, and is agreed by the governing body at the time of re-election.

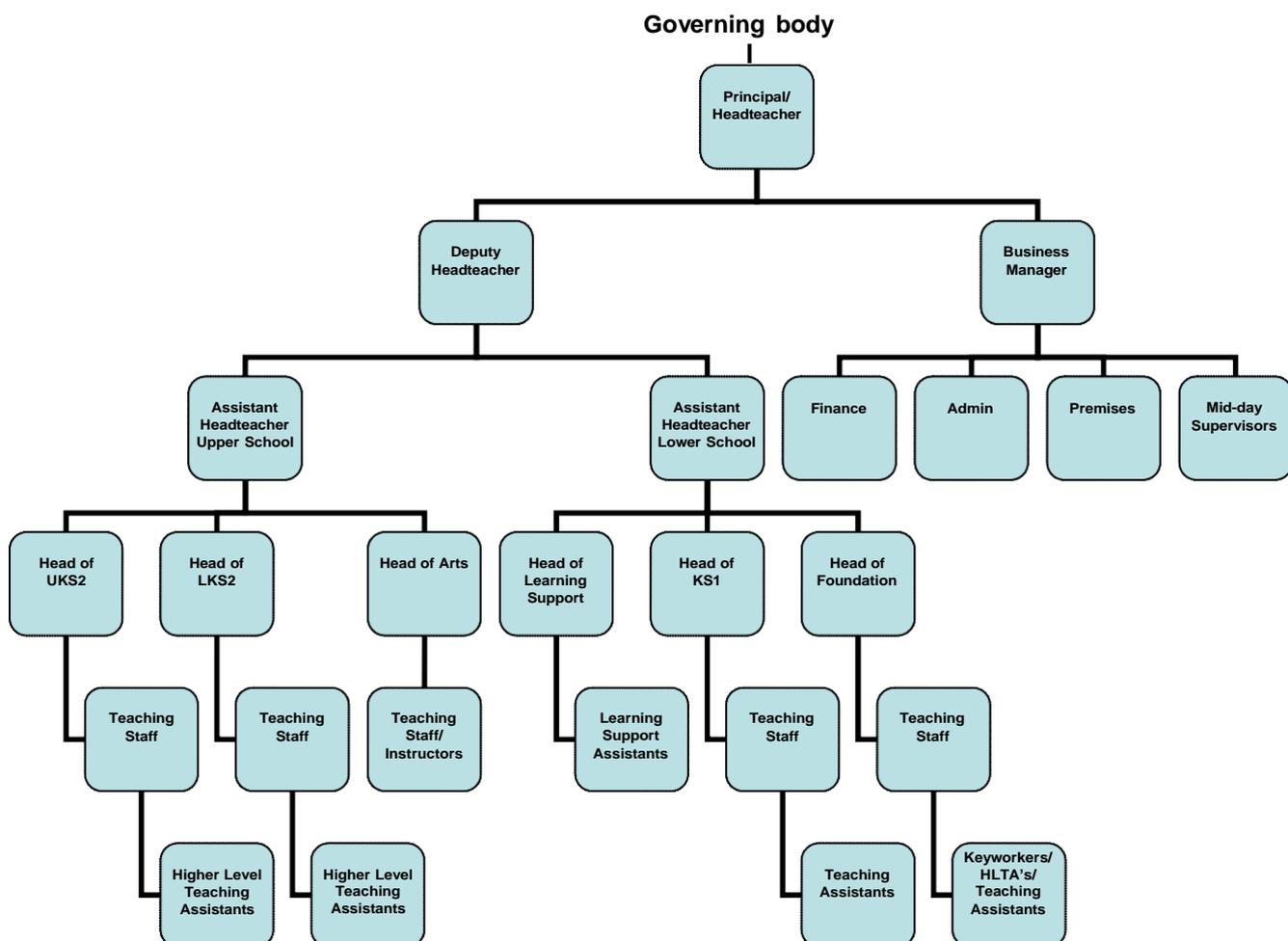
**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Report of the Governors (continued)  
for the year ended 31 August 2012**

**Policies and Procedures Adopted for the Induction and Training of Governors**

During the period under review the Governors held eight meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary an induction will provide training on charity, educational, legal and financial matters. All new Governors are given a tour of the school and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and directors of the Charitable Company. As there is normally expected to be only a small number of new Governors each year, induction tends to be done informally and is tailored specifically to the individual.

**Organisational Structure**



## **Nicholas Hawksmoor Primary School (A company limited by guarantee)**

### **Report of the Governors (continued) for the year ended 31 August 2012**

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#### **Organisational Structure (continued)**

As specified in the Memorandum of Association, Nicholas Hawksmoor Primary School is responsible for running the Academy. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the school, and senior staff appointments. The Governors are responsible for the monitoring and performance of the Principal and Senior Leadership Team on a regular basis.

The Senior Leadership Team members for the Academy are the Headteacher (Accounting Officer), Deputy Headteacher, two Assistant Headteachers and the Business Manager (Finance Director). These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff in consultation of the Governing Body.

#### **Risk Management**

The Governors have assessed the major risks to which Nicholas Hawksmoor Primary School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health, safety, welfare and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where financial risk still remains the academy ensures adequate insurance cover. The school has an effective system of internal financial controls and this is explained in more detail in the governance statement.

#### **Aims and Objectives**

The principal object and activity of the Charitable Company is the operation of the school to provide education for pupils of all abilities between the ages of 3 to 11.

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the school and that the curriculum should comply with the substance of the national curriculum.

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Report of the Governors (continued)  
for the year ended 31 August 2012**

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**Objectives, Strategies and Activities**

The main objectives of the school during the year ended 31 August 2012 are summarised below:

- We seek to ensure that all pupils in the school maximise their learning and are healthy, safe and are able to enjoy and achieve, so that they make a positive contribution throughout their lives and achieve economic well-being.
- We aim for a high academic, artistic and athletic experience in purposeful, lively, exciting and stimulating settings where we help and encourage our children and young people to reach the highest academic, technical and social standard according to their individual potential.
- We seek to support our pupils to achieve their own personal goals and full potential at whatever level by supporting their needs and providing relevant teaching and equipment and to develop in pupils personal confidence and appropriate thinking skills.
- We seek to ensure that every parent or guardian feels confident that their children are being encouraged to reach their potential in a calm, safe, disciplined environment.
- We value respect and consideration for others, we support equality of opportunity and seek hard work and self-discipline as we strive to prepare young people for excellent working lives. With high expectations, a broad and challenging curriculum, excellent facilities, a wide range of activities and a talented, dedicated and caring staff, we aim to ensure that every child has the skills, knowledge, understanding and attitude which will enhance their education and life-long learning experiences in a pluralist society. We want them all to have experiences of schools that are memorable because they learned and laughed a lot within caring, happy, safe and well-ordered environments in which every child matters. We want them to be empowered to make positive choices for their future lives.
- We seek to support staff in their career progression by relevant training and also to assist them pastorally where necessary.
- We continue to improve the effectiveness of the school by keeping the curriculum and organisational structure under continual review.
- We provide value for money for the funds expended.
- We comply with all appropriate statutory and curriculum requirements.
- We maintain close links with our local community and seek to share a wide range of services, facilities and expertise with them.
- We conduct the school's business in accordance with the highest standards of integrity, probity and openness.

# Nicholas Hawksmoor Primary School (A company limited by guarantee)

## Report of the Governors (continued) for the year ended 31 August 2012

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### Objectives, Strategies and Activities (continued)

#### The school's vision is to:

- To ensure a smooth and seamless transition for our new Headteacher Ms Andrea Curtis to take over from Mr Richard Edwards in September 2013.
- Maintain the excellent academic, artistic and athletic standards at the school, as recognised by Ofsted and seek to improve and develop these wherever possible.
- To play a pivotal role in the future educational provision in Towcester in the context of the expansion of the town over the next few years. To secure the best possible facilities for our pupils and staff in this context.

### Public Benefit

In setting the objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit, and in particular to its supplementary public benefit guidance on advancing education.

The objective of the school is to advance, for the public benefit, education in Towcester and the surrounding area, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing the school and offering a broad and balanced curriculum.

### Achievements and Performance

Nicholas Hawksmoor Primary School is in its first full year of operation as an Academy Trust and has had another successful academic year. We are an over-subscribed school achieving its maximum pupil numbers. The total number of students for the period up to 31 August 2012 were in the region of 490.

Our Key Stage One children once again achieved well above the national average in reading, writing and mathematics, plus our Year 1 children were assessed for the very first time on a national phonics test. 85% of the children passed compared to 58% of the children nationally. Our girls achieved 100%. However, our Level 3 results (the higher level) were comparable with last years in writing and maths but lower in reading due to a fluctuation in the number of better readers. At Level 2 we did extremely well with 100% in reading, writing and mathematics.

At Key Stage Two, results at Level 4+ were comparable with last year (well above the national average) but were lower at Level 5 (the higher level) than last years, particularly in reading. Again due to a fluctuation in the number of better readers. Year 6 were academically very good but had fewer high achieving pupils compared to the previous year.

Again RAISEonline (summary of results from Ofsted) showed a significant difference between our results and the national results, which has been the case in the last five years.

	<b>% Level 2 and Above (Year 2)</b>	
	<u>School 2012</u>	<u>National Average 2012</u>
Reading	100%	87%
Writing	100%	83%
Maths	100%	91%

	<b>% Level 3 (The Higher Level) (Year 2)</b>	
Reading	40%	27%
Writing	23%	14%
Maths	45%	22%

**Nicholas Hawksmoor Primary School  
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**Report of the Governors (continued)  
for the year ended 31 August 2012**

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**Achievements and Performance (continued)**

	<b>% Level 4 and Above (Year 6)</b>	
	<u>School 2012</u>	<u>National Average 2012</u>
English	95%	85%
Reading	98%	86%
Writing	92%	81%
Maths	100%	84%

	<b>% Level 5 (The Higher Level) (Year 6)</b>	
English	48%	37%
Reading	61%	48%
Writing	30%	28%
Maths	52%	39%

In addition to our academic achievements we again achieved highly in our sports events winning trophies for Swimming, Athletics, Cross Country, Netball, Rugby and Kwik Cricket. Our work in the arts has continued to be recognised with us making major contributions to three dance festivals. An orchestra has been formed and our string players were winners in the Northampton Festival of Performing Arts, string group section. Our Year 5 Choir was invited to sing with the Towcester Choral Society at their two Jubilee concerts in June 2012.

**Going Concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

**Financial Review**

The school's accounting period is from 1st September 2011 to 31st August 2012.

The majority of Nicholas Hawksmoor Primary Schools income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes based on our Funding Agreement. The grants received from the EFA during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The school also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned, according to our depreciation policy.

A significant Capital Maintained Grant was awarded during the year ended 31 August 2012 for a new washroom project and works commenced during the accounting period 1 September 2012 to 31 August 2013.

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Report of the Governors (continued)  
for the year ended 31 August 2012**

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**Financial Review (continued)**

Despite this being a difficult year for Capital funds, the school has made significant investment including:

- 34 Laptops and 1 charging bay
- 21 iPads and Apple TV
- Pupil and staff furniture
- School website
- Reading books
- Secure storage cupboards
- Projectors and whiteboards
- Nnumeric numeracy package
- Rising Stars KS2 ICT package

Under Financial Reporting Standard 17, it is necessary to record expected deficits on the Local Government Pension Scheme (LGPS), which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions have been assessed by the Actuary and set at 16.3% to bring a reduction in this pension deficit in future. The actuarial report has been based on paying back the projected deficit of £154,000 over a 20 year span and will be reviewed in the financial year 2013/2014.

**Reserves**

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Governors will keep the level of reserves under review.

Reserves at the end of the period are £1,413,543. This surplus includes a Restricted Fixed Asset fund of £1,519,071, Unrestricted Funds of £42,988 and a Restricted Fund deficit of £148,516. This deficit is due to the accounting treatment of the LGPS pension scheme.

The Restricted General Fund holds a deficit of £148,516 that is made up of the following:

Pension Deficit	(£154,000)	as per the actuarial report
General Annual Grant	£0	within the 2% allowance per the Funding Agreement
Restricted School Fund	£3,815	
Restricted School Trips	£888	
Pupil Premium	£781	
Total Deficit	<u>(£148,516)</u>	

The restricted school fund reserve and restricted school trip reserve will be used against future commitments for swimming and school trip costs respectively.

**Nicholas Hawksmoor Primary School  
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**Report of the Governors (continued)  
for the year ended 31 August 2012**

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**Plans for Future Periods**

With regard to our long term plans (5 year plan), we aim:

- To ensure a smooth and seamless transition for our new Headteacher Ms Andrea Curtis to take over from Mr Richard Edwards in September 2013.
- To maintain the excellent, academic, artistic and athletic standards of the school, as recognised by Ofsted and to seek to improve and develop these wherever possible.
- To play a lead in the future educational provision in Towcester in the current expansion of the town over the next few years. To keep the school high profile and academically successful and to be a key player ensuring that we achieve the best possible provision and facilities for our pupils and staff. We support the Towcester Learning Trust's views that local educational decisions should be made at a local level by the community we serve.

In the meantime it is important that standards are maintained and developed both in curriculum terms, premises, facilities and resources. Therefore we have identified the following areas we need to prioritise:

- ICT – Teaching, learning and resources
- Writing – continuing with our grammar and punctuation scheme and increasing the number of pupils attaining the higher level 5 grade in Year 6
- Planning for the implementation of the New National Curriculum
- Reading – to establish our new phonics scheme Phonics International
- Maths – to establish Numicom our number skills scheme
- Premises – refurbishment of toilets, to add additional teaching spaces and develop grounds and playgrounds. To refurbish the classrooms along the Year 3, 4 and 2 corridor.

**Auditor**

In so far as the Governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Approved by order of the members of the Governing Body on 29 November 2012 and signed on its behalf by:

**Karen Falvey  
Chair of Governors**

## Nicholas Hawksmoor Primary School (A company limited by guarantee)

### Governance Statement for the year ended 31 August 2012

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#### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Nicholas Hawksmoor Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The governing body has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Nicholas Hawksmoor Primary School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The governing body has formally met eight times during the year. Attendance during the year at meetings of the governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Edwards (Accountable Officer)	8	8
D Wardle (Chair until 25/09/2012)	8	8
J Whiteman	7	8
J Chitty (Vice Chair until 25/09/2012)	7	8
L Kerrison (Finance Director)	7	8
D Reynolds (Vice Chair)	7	8
N Rossini	7	8
M Marchini	6	8
K Falvey (Chair of Governors)	5	8
P Barker	5	8
L Jeffery	4	8
B Cushing	4	8
D Linney	4	8
I Hendry (Responsible Officer)	3	8
C Nikel	2	8
R Savage (Resigned 02/02/12)	1	3
R Mitchell	0	8

There have been no key changes to the composition of the governing body. However the resignation of the Responsible Officer (Rachel Savage) on 2 February 2012 meant the election of a new Responsible Officer (Iain Hendry) at the Finance Meeting on 23 February 2012.

**Nicholas Hawksmoor Primary School  
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**Governance Statement (continued)  
for the year ended 31 August 2012**

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**Governance (continued)**

The Finance Committee is a sub-committee of the main governing body. The Finance Committee has the power to make decisions, without reference to the main governing body. The Finance Committee will inform the governing body of any decisions made. The Finance Committee refers to the Academies Accounts Direction 2011/12. Attendance during the year at finance meetings was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Edwards (Accountable Officer)	3	3
D Wardle (Chair until 25/09/2012)	3	3
J Whiteman	3	3
J Chitty (Vice Chair until 25/09/2012)	3	3
L Kerrison (Finance Director)	3	3
M Marchini	2	3
D Reynolds	2	3
N Rossini	2	3
K Falvey (Chair of Governors)	1	3
I Hendry (Responsible Officer)	1	3
R Savage (Resigned 02/02/2012)	1	1
L Jeffery	0	3
P Barker	0	3
B Cushing	0	3
D Linney	0	3
R Mitchell	0	3
C Nikel	0	3

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Nicholas Hawksmoor Primary School policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Nicholas Hawksmoor Primary School for the year ended 31 August 2012 and up to the approval of the annual report and financial statements.

**Capacity to Handle Risk**

The governing body has reviewed the key risks to which Nicholas Hawksmoor Primary School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body uses the Risk Register and Financial Management and Governance Evaluation (FMGE) to formally identify, evaluate and manage the academy trust's significant risks. This system has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the audit committee, who report back to the governing body.

**Nicholas Hawksmoor Primary School  
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**Governance Statement (continued)  
for the year ended 31 August 2012**

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**The Risk and Control Framework**

Nicholas Hawksmoor Primary School's system of internal control is based on a framework of regular management information and administrative procedures including the segregation of duties, scheme of delegation, responsible officer reports and accountability, including the following:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.
- Regular reviews by the Finance and Audit Committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Iain Hendry, as Responsible Officer (R/O). The R/O role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the R/O reports to the Finance Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

With the exception of the first quarter whereby the existing R/O Rachel Savage resigned from the governing body and consequently her post as Responsible Officer (2 February 2012), the Responsible Officer duties have been completed in full by Iain Hendry our elected Responsible Officer as of 23 February 2012.

**Review of Effectiveness**

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-evaluation process;
- the risk register;
- the work of the senior leadership team within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 29 November 2012 and signed on its behalf by:

**Karen Falvey**  
Chair of Governors

**Richard Edwards**  
Accounting Officer

**Nicholas Hawksmoor Primary School  
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**Statement on Regularity, Propriety and Compliance  
for the year ended 31 August 2012**

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As accounting officer of Nicholas Hawksmoor Primary School I have considered by my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with the EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

**Richard Edwards  
Accounting Officer**

29 November 2012

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Statement on Governors' Responsibilities  
for the year ended 31 August 2012**

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The Governors (who act as trustees for charitable activities of Nicholas Hawksmoor Primary School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governor's report and financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency (EFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and good financial management. They are also responsible for ensuring grants received from the EFA/Department for Education (DfE) have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 29 November 2012 and signed on its behalf by:

**Karen Falvey  
Chair of Governors**

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Independent Auditor's Report to the Members of Nicholas Hawksmoor Primary  
School  
for the year ended 31 August 2012**

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We have audited the financial statements of Nicholas Hawksmoor Primary School for the year ended 31 August 2012 on pages 20 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the Governors and auditors**

As explained more fully in the Statement of Governors' Responsibilities set out on page 15, the charitable company's Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the annual report and financial statements sufficient to give reasonable assurance that the annual report and financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited annual report and financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Independent Auditor's Report to the Members of Nicholas Hawksmoor Primary  
School (*continued*)  
for the year ended 31 August 2012**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Richard Lodder (Senior Statutory Auditor)  
Magma Audit LLP  
Statutory Auditor  
Bloxam Court  
Corporation Street  
Rugby  
CV21 2DU

21 December 2012

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Nicholas Hawksmoor Primary School and the Education Funding Agency for the year ended 31 August 2012**

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In accordance with the terms of our letter of engagement dated 17 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nicholas Hawksmoor Primary School during the period 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Nicholas Hawksmoor Primary School and the EFA in accordance with the terms of our letter of engagement. Our work has been undertaken so that we might state to the Nicholas Hawksmoor Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Nicholas Hawksmoor Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Nicholas Hawksmoor Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Nicholas Hawksmoor Primary School's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies: Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our letter of engagement.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

## Nicholas Hawksmoor Primary School (A company limited by guarantee)

### Independent Reporting Accountant's Assurance Report on Regularity to Nicholas Hawksmoor Primary School and the Education Funding Agency (*continued*) for the year ended 31 August 2012

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#### **Approach (*continued*)**

Our work consisted of:

- understanding the basis on which the academy trust's Accounting Officer had made their Statement on Regularity, propriety and Compliance on page 14;
- obtaining specific written representations from the academy trust's Accounting Officer and the EFA to confirm that to the best of their knowledge that there have been no irregular transactions;
- considering (based on our understanding of the academy's internal controls) the risk of irregular transactions occurring;
- considering the evidence obtained by us to support the audit opinion which we have provided on pages 12 to 13;
- and conducting further substantive procedures as we considered to be appropriate.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Magma Audit LLP  
Chartered Accountants  
Bloxam Court  
Corporation Street  
Rugby  
CV21 2DU

21 December 2012

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Statement of Financial Activities  
for the year ended 31 August 2012**

**(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Year ended 31.08.2012 £	Total 7 months ended 31.08.2011 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	4	31	942	81,648	<b>82,621</b>	16,663
Assets transferred from predecessor school	3	-	-	-	-	1,267,156
Activities for generating funds	5	42,707	72,261	-	<b>114,968</b>	67,235
Investment income		1,665	-	-	<b>1,665</b>	510
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	6	9,143	1,531,110	-	<b>1,540,253</b>	1,082,003
<b>Total incoming resources</b>		<b>53,546</b>	<b>1,604,313</b>	<b>81,648</b>	<b>1,739,507</b>	<b>2,433,567</b>
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Academy's educational operations	8	20,833	1,620,316	56,957	<b>1,698,106</b>	967,571
Governance costs	9	-	6,427	-	<b>6,427</b>	20,427
<b>Total resources expended</b>	7	<b>20,833</b>	<b>1,626,743</b>	<b>56,957</b>	<b>1,704,533</b>	<b>987,998</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>32,713</b>	<b>(22,430)</b>	<b>24,691</b>	<b>34,974</b>	<b>1,445,569</b>
Gross transfer between funds	16	(14,388)	385	14,003	-	-
<b>Net income/(expenditure) for the year</b>		<b>18,325</b>	<b>(22,045)</b>	<b>38,694</b>	<b>34,974</b>	<b>1,445,569</b>
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	16	-	(58,000)	-	<b>(58,000)</b>	(9,000)
<b>Net movement in funds</b>		<b>18,325</b>	<b>(80,045)</b>	<b>38,694</b>	<b>(23,026)</b>	<b>1,436,569</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2011	16	24,663	(68,471)	1,480,377	<b>1,436,569</b>	-
Total funds carried forward at 31 August 2012	16	<b>42,988</b>	<b>(148,516)</b>	<b>1,519,071</b>	<b>1,413,543</b>	<b>1,436,569</b>

All of the Academy's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes form part of these financial statements

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Balance Sheet  
as at 31 August 2012**

	Notes	2012		2011	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	13		1,459,880		1,466,577
<b>Current assets</b>					
Debtors	14	79,916		190,768	
Cash at bank and in hand		<u>113,826</u>		<u>800,651</u>	
		193,742		991,419	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	15	<u>(86,079)</u>		<u>(924,427)</u>	
<b>Net current assets</b>			<u>107,663</u>		<u>66,992</u>
Total assets less current liabilities			1,567,543		1,533,569
<b>Net assets excluding pension liability</b>			1,567,543		1,533,569
Pension scheme liability	21		(154,000)		(97,000)
<b>Net assets including pension liability</b>			<u>1,413,543</u>		<u>1,436,569</u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16		1,519,071		1,480,377
General fund	16		5,484		28,529
Pension fund	16		<u>(154,000)</u>		<u>(97,000)</u>
<b>Total restricted funds</b>			<u>1,370,555</u>		<u>1,411,906</u>
<b>Unrestricted funds</b>					
General fund	16		<u>42,988</u>		<u>24,663</u>
<b>Total unrestricted funds</b>			<u>42,988</u>		<u>24,663</u>
<b>Total funds</b>	16		<u>1,413,543</u>		<u>1,436,569</u>

The financial statements were approved by the Board of Governors, and authorised for issue on 29 November 2012 and signed on their behalf by:

**Karen Falvey  
Chair of Governors**

**Company registration number: 07489127 (England and Wales)**

The notes form part of these financial statements

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Cash Flow Statement  
for the year ended 31 August 2012**

	Notes	Year ended 31.08.2012 £	7 months ended 31.08.2011 £
<b>Net cash (outflow)/inflow from operating activities</b>	<b>19</b>	<b><u>(672,525)</u></b>	<b><u>795,645</u></b>
<b>Returns on investments and servicing of finance</b>			
Interest received		<u>1,665</u>	<u>510</u>
		<b><u>1,665</u></b>	<b><u>510</u></b>
<b>Capital (expenditure)/income</b>			
Capital grants from DfE/EFA		21,081	9,243
Other capital funding		13,214	11,288
Purchase of tangible fixed assets		<b>(50,260)</b>	<b>(16,035)</b>
		<b><u>(15,965)</u></b>	<b><u>4,496</u></b>
<b>(Decrease)/increase in cash in the year</b>	<b>20</b>	<b><u>(686,825)</u></b>	<b><u>800,651</u></b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2011		<b>800,651</b>	-
Net funds at 31 August 2012		<b><u>113,826</u></b>	<b><u>800,651</u></b>

The notes form part of these financial statements

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Notes to the Financial Statements  
for the year ended 31 August 2012**

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**1 Accounting policies**

**1.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principle accounting policies, which have been applied consistently, is set out below.

**1.2 Incoming resources**

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

**Grants receivable**

Grants, including the General Annual Grant (GAG) and fixed asset grants, are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued and included in debtors as accrued income.

**Donations**

Donations are included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

**Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy are recognised at their estimated value to the Academy in the year in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured and is material. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

**Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the goods have been provided or on completion of the service.

**Interest receivable**

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

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**1 Accounting policies (continued)**

**1.3 Resources expended**

Resources expended are recognised in the year in which they are incurred and include irrecoverable VAT where appropriate. They have been classified under headings that aggregate all costs relating to that activity.

In accordance with the SORP 2005, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of proportion of the assets' use which is utilised by each activity.

Cost of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities costs are costs incurred on the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

**1.4 Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department of Education, and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise grants from the Education Funding Agency, Department of Education and Local Authority, which have to be used in accordance with specific restrictions imposed by them.

Where fixed asset acquisitions are funded from the General Annual Grant (GAG) or general fund, transfers are made from the restricted and unrestricted fund respectively, to the restricted fixed asset fund to offset the cost of the assets as they are incurred.

**1.5 Tangible fixed assets**

Tangible fixed assets, costing £500 or more, acquired since the Academy was established are included in the financial statements at cost. Assets transferred from the predecessor school on establishment of the Academy are included in the financial statements at their estimated value to the Academy at the time of acquisition, apart from freehold buildings which are included at depreciated replacement cost.

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

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**1 Accounting policies (continued)**

**1.5 Tangible fixed assets (continued)**

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. The depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

**Depreciation**

Depreciation is provided on all tangible fixed assets, other than heritage assets, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	2% on cost
Fixtures, fittings and equipment	5%-20% on cost
Computer equipment	33% on cost

**1.6 Heritage assets**

Heritage assets, comprising artwork held for its contribution to knowledge and culture, are included in the financial statements at open market value. Gains and losses on revaluation are recognised in the Statement of Financial Activities.

It's the Academy's policy to maintain its artwork collection and maintenance costs are charged to the Statement of Financial Activities. The artworks are deemed to have indeterminate lives and high residual values and the Governors do not therefore consider it appropriate to charge depreciation.

**1.7 Leased assets**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.8 Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

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**1 Accounting policies (continued)**

**1.9 Pension benefits**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are payable each period.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

2	<b>General Annual Grant (GAG)</b>	<b>Year ended 31.08.2012 £</b>	<b>7 months ended 31.08.2011 £</b>
	<b>a. Results and carry forward for the year</b>		
	GAG brought forward from previous period	14,751	-
	GAG allocation for current year	<u>1,324,571</u>	<u>758,215</u>
	<b>Total GAG available to spend</b>	<b>1,339,322</b>	<b>758,215</b>
	Recurrent expenditure from GAG	<b>(1,339,322)</b>	<b>(743,464)</b>
	Fixed assets purchased from GAG	<u>-</u>	<u>-</u>
	<b>GAG carried forward to next year</b>	<b>-</b>	<b>14,751</b>
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u><b>(158,949)</b></u>	<u><b>(90,986)</b></u>
	<b>GAG to surrender to DfE</b>	<u><b>(158,949)</b></u>	<u><b>(76,235)</b></u>
	(12% rule breached if result is positive)	<b>No breach</b>	No breach
	<b>b. Use of GAG brought forward from previous year for recurrent purposes</b> (of the amount carried forward each year, a maximum of 2% of the GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
	Recurrent expenditure from GAG in current year	<b>1,339,322</b>	743,464
	GAG allocation for current year	<b>(1,324,571)</b>	<b>(758,215)</b>
	GAG allocation for previous year x 2%	<u><b>(15,164)</b></u>	<u>-</u>
	<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year</b>	<u><b>(413)</b></u>	<u><b>(14,751)</b></u>
	(2% rule breached if result is positive)	<b>No breach</b>	No breach
	<b>3 Assets transferred from predecessor school</b>		
		<b>Year ended 31.08.2012 £</b>	<b>7 months ended 31.08.2011 £</b>
	Freehold buildings	-	1,313,913
	Fixtures, fittings and equipment	-	10,134
	Computer equipment	-	5,253
	Heritage assets	-	23,045
	Cash at bank	-	6,811
	Local government pension scheme deficit	<u>-</u>	<u>(92,000)</u>
		<u>-</u>	<u>1,267,156</u>

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

**4 Voluntary income**

	Unrestricted Funds £	Restricted Funds £	Total Year ended 31.08.2012 £	Total 7 months ended 31.08.2011 £
Capital grants	-	68,434	<b>68,434</b>	-
Donations	31	14,156	<b>14,187</b>	16,663
	<u>31</u>	<u>82,590</u>	<u><b>82,621</b></u>	<u>16,663</u>

**5 Activities for generating funds**

	Unrestricted Funds £	Restricted Funds £	Total Year ended 31.08.2012 £	Total 7 months ended 31.08.2011 £
Music tuition income	-	13,066	<b>13,066</b>	10,438
Hire of facilities	21,375	-	<b>21,375</b>	14,234
School visits income	-	39,119	<b>39,119</b>	20,687
Nursery care income	15,059	-	<b>15,059</b>	10,666
Other income	6,273	20,076	<b>26,349</b>	11,210
	<u>42,707</u>	<u>72,261</u>	<u><b>114,968</b></u>	<u>67,235</u>

**6 Funding for the Academy's educational operations**

	Unrestricted Funds £	Restricted Funds £	Total Year ended 31.08.2012 £	Total 7 months ended 31.08.2011 £
<b>DfE/EFA capital grant</b>				
Academy capital grants	-	-	-	143,851
	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,851</u>
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG) (note 2)	-	1,324,571	<b>1,324,571</b>	758,216
Start up grants	-	-	-	25,000
Other DfE/EFA grants	-	3,391	<b>3,391</b>	6,392
	<u>-</u>	<u>1,327,962</u>	<u><b>1,327,962</b></u>	<u>789,608</u>
<b>Other revenue grants</b>				
Maintained grants	-	-	-	55,446
Local authority grants	-	162,444	<b>162,444</b>	72,553
Other local authority grants	-	37,918	<b>37,918</b>	19,400
Other grants	9,143	2,786	<b>11,929</b>	1,145
	<u>9,143</u>	<u>203,148</u>	<u><b>212,291</b></u>	<u>148,544</u>
	<u>9,143</u>	<u>1,531,110</u>	<u><b>1,540,253</b></u>	<u>1,082,003</u>

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

7 Resources expended	Non Pay I penditure			Total Year ended	Total 7 months ended
	Staff costs £	Premises £	Other costs £	31.08.2012 £	31.08.2011 £
Academy's educational operations					
Direct costs	1,204,380	-	106,966	<b>1,311,346</b>	736,915
Allocated support costs	165,301	70,021	151,438	<b>386,760</b>	230,656
	<u>1,369,681</u>	<u>70,021</u>	<u>258,404</u>	<u><b>1,698,106</b></u>	<u>967,571</u>
Governance costs	-	-	6,427	<b>6,427</b>	20,427
	<u>1,369,681</u>	<u>70,021</u>	<u>264,831</u>	<u><b>1,704,533</b></u>	<u>987,998</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on pages 23 to 26.

**Incoming/outgoing resources for the year include:**

	Year ended 31.08.2012 £	7 months ended 31.08.2011 £
Operating leases	3,351	2,042
Depreciation	49,942	29,037
Loss on disposal of fixed assets	85	-
Auditor's remuneration:		
Audit services	5,000	5,000
Other services	<u>1,000</u>	<u>1,500</u>

**Nicholas Hawksmoor Primary School  
(A company limited by guarantee)**

**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

**8 Charitable activities – Academy’s educational operations**

	Unrestricted Funds £	Restricted Funds £	Total Year ended 31.08.2012 £	Total 7 months ended 31.08.2011 £
<b>Direct costs</b>				
Teaching and educational support staff costs	6,000	1,198,380	<b>1,204,380</b>	673,004
Educational supplies	-	28,157	<b>28,157</b>	21,699
Staff development	-	6,606	<b>6,606</b>	3,121
Educational consultancy	-	33,250	<b>33,250</b>	13,915
Educational visits	-	38,953	<b>38,953</b>	25,176
	<u>6,000</u>	<u>1,305,346</u>	<u><b>1,311,346</b></u>	<u>736,915</u>
<b>Allocated support costs</b>				
Support staff costs	-	165,301	<b>165,301</b>	97,070
Depreciation	-	49,942	<b>49,942</b>	29,037
Loss on disposal of fixed assets	-	85	<b>85</b>	-
Amounts written off fixed assets	-	6,930	<b>6,930</b>	-
Recruitment and support	8,250	2,268	<b>10,518</b>	422
Maintenance of premises and equipment	-	10,681	<b>10,681</b>	12,580
Cleaning	-	6,036	<b>6,036</b>	3,522
Printing, postage and stationery	-	16,805	<b>16,805</b>	12,141
Light and heat	-	17,914	<b>17,914</b>	12,089
Rates and water	-	9,112	<b>9,112</b>	1,581
Insurance	-	14,851	<b>14,851</b>	5,507
Music tuition	-	14,113	<b>14,113</b>	10,606
Telephone	-	3,165	<b>3,165</b>	3,854
Catering	-	6,292	<b>6,292</b>	3,909
Computer costs	-	15,324	<b>15,324</b>	16,963
Other support costs	6,583	33,108	<b>39,691</b>	21,375
	<u>14,833</u>	<u>371,927</u>	<u><b>386,760</b></u>	<u>230,656</u>
	<u><b>20,833</b></u>	<u><b>1,677,273</b></u>	<u><b>1,698,106</b></u>	<u><b>967,571</b></u>

**9 Governance costs**

	Unrestricted Funds £	Restricted Funds £	Total Year ended 31.08.2012 £	Total 7 months ended 31.08.2011 £
Legal and professional fees	-	1,427	<b>1,427</b>	15,427
Auditors’ remuneration	-	5,000	<b>5,000</b>	5,000
Audit of financial statements	-	6,427	<b>6,427</b>	20,427
	<u>-</u>	<u>6,427</u>	<u><b>6,427</b></u>	<u>20,427</u>

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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

<b>10 Staff costs</b>	<b>Year ended 31.08.2012 £</b>	<b>7 months ended 31.08.2011 £</b>
Staff costs during the year were:		
Wages and salaries	1,141,113	642,414
Social security costs	72,320	42,188
Pension costs	<u>155,240</u>	<u>82,217</u>
	1,368,673	766,819
Supply teacher costs	<u>1,008</u>	<u>3,255</u>
	<u><b>1,369,681</b></u>	<u><b>770,074</b></u>

The average number of persons (including senior management team) employed by the Academy during the year expressed on an actual and full-time equivalent basis was as follows:

<b>Actual</b>	<b>2012 No.</b>	<b>2011 No.</b>
<b>Charitable activities</b>		
Teachers	22	20
Administration and support	49	50
Management	<u>5</u>	<u>5</u>
	<u><b>76</b></u>	<u><b>75</b></u>
<b>Full time equivalents</b>		
	<b>2012 No.</b>	<b>2011 No.</b>
<b>Charitable activities</b>		
Teachers	19	17
Administration and support	23	19
Management	<u>5</u>	<u>5</u>
	<u><b>47</b></u>	<u><b>41</b></u>



**11 Governors' remuneration and expenses (continued)**

Principal and staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors. During the year no Governors received any benefits-in-kind or reimbursement of expenses (7 months ended 31 August 2011: £nil)

Related party transactions involving the Governors are set out in note 23.

**12 Governors' and Officers' insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year was £500 (7 months ended 31 August 2011: £208).

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

**13 Tangible fixed assets**

	Freehold buildings £	Furniture, fixtures and equipment £	Computer equipment £	Heritage assets £	Total £
<b>Cost or valuation</b>					
At 1 September 2011	1,313,913	138,100	19,626	23,975	<b>1,495,614</b>
Additions	-	20,186	29,504	570	<b>50,260</b>
Amounts written off	-	-	-	(6,930)	<b>(6,930)</b>
Disposals	-	(120)	-	-	<b>(120)</b>
At 31 August 2012	<u>1,313,913</u>	<u>158,166</u>	<u>49,130</u>	<u>17,615</u>	<b><u>1,538,824</u></b>
<b>Depreciation</b>					
At 1 September 2011	15,329	7,849	5,859	-	<b>29,037</b>
Charged in year	26,278	13,427	10,237	-	<b>49,942</b>
Eliminated on disposal	-	(35)	-	-	<b>(35)</b>
At 31 August 2012	<u>41,607</u>	<u>21,241</u>	<u>16,096</u>	<u>-</u>	<b><u>78,944</u></b>
<b>Net book values</b>					
At 31 August 2012	<u>1,272,306</u>	<u>136,925</u>	<u>33,034</u>	<u>17,615</u>	<b><u>1,459,880</u></b>
At 31 August 2011	<u>1,298,584</u>	<u>130,251</u>	<u>13,767</u>	<u>23,975</u>	<b><u>1,466,577</u></b>

**Heritage assets**

The Academy holds a collection of artwork held for its contribution to knowledge and culture. The collection which contains 24 pieces is considered by the Governors to have artistic importance.

**14 Debtors**

	2012 £	2011 £
Trade debtors	<b>1,129</b>	18,475
Other debtors	<b>14,199</b>	148
Prepayments and accrued income	<b><u>64,588</u></b>	<u>172,145</u>
	<b><u>79,916</u></b>	<u>190,768</u>

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

<b>15 Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Other creditors	45,368	770,819
Accruals and deferred income	<u>40,711</u>	<u>153,608</u>
	<b>86,079</b>	<b>924,427</b>
<b>Deferred income</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Deferred income at 1 September 2011	12,836	-
Resources deferred in year	27,003	12,836
Amounts released from previous periods	<u>(12,836)</u>	<u>-</u>
Deferred income at 31 August 2012	<b>27,003</b>	<b>12,836</b>

Deferred income represents grant income received in advance of entitlement of receipt.

**16 Funds**

	<b>Balance at 31 August 2011 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2012 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	14,751	1,324,571	(1,339,322)	-	-
Other DfE/EFA/Government grants	13,495	203,753	(215,806)	(661)	781
General fund	283	75,989	(72,615)	1,046	4,703
Pension fund	<u>(97,000)</u>	<u>-</u>	<u>1,000</u>	<u>(58,000)</u>	<u>(154,000)</u>
	<u>(68,471)</u>	<u>1,604,313</u>	<u>(1,626,743)</u>	<u>(58,385)</u>	<u>(148,516)</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA Capital Grants	149,139	68,434	(5,947)	-	211,626
Other capital funding	-	13,214	(1,022)	14,003	26,195
Assets transferred from predecessor school	1,331,238	-	49,988	-	1,281,250
	<u>1,480,377</u>	<u>81,648</u>	<u>(56,957)</u>	<u>14,003</u>	<u>1,519,071</u>
<b>Total restricted funds</b>	<b>1,411,906</b>	<b>1,685,961</b>	<b>(1,683,700)</b>	<b>(44,382)</b>	<b>1,370,555</b>
<b>Unrestricted funds</b>					
Unrestricted funds	24,663	53,546	(20,833)	(14,388)	42,988
<b>Total unrestricted funds</b>	<b>24,663</b>	<b>53,546</b>	<b>(20,833)</b>	<b>(14,388)</b>	<b>42,988</b>
<b>Total funds</b>	<b>1,436,569</b>	<b>1,739,507</b>	<b>(1,704,533)</b>	<b>(58,770)</b>	<b>1,413,543</b>

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

**16 Funds (continued)**

The General Annual Grant (GAG) must be used for the normal operating costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Other restricted funds comprise funds received from the DfE, Local Government and parents to fund expenditure incurred by the Academy in its ordinary operational activities.

The restricted fixed asset fund includes all transactions related to the purchase of capitalised assets with capital grants and assets transferred from the predecessor school.

**17 Analysis of net assets between funds**

Fund balances at 31 August 2012 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,459,880	<b>1,459,880</b>
Current assets	42,988	91,563	59,191	<b>193,742</b>
Current liabilities	-	(86,079)	-	<b>(86,079)</b>
Pension scheme liability	-	(154,000)	-	<b>(154,000)</b>
<b>Total net assets</b>	<b>42,988</b>	<b>(148,516)</b>	<b>1,519,071</b>	<b>1,413,543</b>

**18 Financial commitments**

**Operating leases**

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows:

Other	2012 £	2011 £
Expiring within one year	<b>1,296</b>	825
Expiring within two and five years inclusive	<b>2,055</b>	2,676
	<b>3,351</b>	<b>3,501</b>

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

**19 Reconciliation of net income to the net cash inflow from operating activities**

	Year ended 31.08.2012 £	7 months ended 31.08.2011 £
Net income	34,974	1,445,569
Depreciation	49,942	29,037
Loss on disposal of fixed assets	85	-
Amounts written off fixed assets	6,930	-
Capital grants from DfE and other capital income	(34,295)	(20,531)
Fixed asset donations	-	(1,354,275)
Interest receivable	(1,665)	(510)
Transfer of LGPS pension scheme deficit upon conversion	-	92,000
FRS 17 pension cost less contributions payable	(1,000)	(4,000)
Decrease/(Increase) in debtors	110,852	(190,768)
(Decrease)/Increase in creditors	<u>(838,348)</u>	<u>799,123</u>
<b>Net cash (outflow)/inflow from operating activities</b>	<b><u>(672,525)</u></b>	<b><u>795,645</u></b>

**20 Analysis of changes in net funds**

	At 31 August 2011 £	Cash flows £	At 31 August 2012 £
Cash at bank and in hand	<u>800,651</u>	<u>(686,825)</u>	<u>113,826</u>

**21 Pension and similar obligations**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Warwickshire County Council Pension Fund. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS was 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

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**21 Pension and similar obligations (continued)**

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

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**21 Pension and similar obligations (continued)**

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

**Local Government Pension Scheme**

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2012 was £62,017 (7 months ended 31 August 2011: £34,057), of which employer's contributions totalled £47,017 (7 months ended 31 August 2011: £26,056) and employees' contributions totalled £15,000 (7 months ended 31 August 2011: £8,001). The agreed contribution rates for future years are 16.3% for employers and between 5.5% and 7.5% for employees.

The following information is based upon a full actuarial valuation of the fund at 31 March 2010, updated to 31 August 2012 by a qualified actuary, Hymans Robertson LLP.

**Principal Actuarial Assumptions**

	<b>At 31 August 2012</b>	<b>At 31 August 2011</b>
Rate of increase in salaries	<b>4.5%</b>	4.9%
Rate of increase in pensions	<b>2.2%</b>	2.6%
Discount rate for scheme liabilities	<b>4.1%</b>	5.4%
Expected return on assets	<b>4.8%</b>	6.2%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	<b>At 31 August 2012</b>	<b>At 31 August 2011</b>
<i>Retiring today</i>		
Males	<b>21.4</b>	21.4
Females	<b>23.3</b>	23.3
<i>Retiring in 20 years</i>		
Males	<b>23.4</b>	23.4
Females	<b>25.5</b>	25.5

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

**21 Pension and similar obligations (continued)**

The Academy's share of the assets and liabilities of the scheme and the expected rates of return were:

	Expected return at 31 August 2012	Fair value at 31 August 2012 £	Expected return at 31 August 2011	Fair value at 31 August 2011 £
Equities	5.5%	223,000	6.8%	174,000
Bonds	3.0%	75,000	4.6%	43,000
Property	3.7%	20,000	4.8%	17,000
Cash	2.8%	7,000	3.9%	5,000
<b>Total market value of assets</b>		<b>325,000</b>		239,000
Present value of scheme liabilities - funded		<b>(479,000)</b>		(336,000)
<b>Deficit in the scheme</b>		<b>(154,000)</b>		(97,000)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period.

The actual return on scheme assets in the period was £24,000 (7 months ended 31 August 2011: £(10,000)).

**Amounts recognised in the Statement of Financial Activities**

	Year ended 31.08.2012 £	7 months ended 31.08.2011 £
Current service cost (net of employee contributions)	43,000	21,000
Past service cost	-	-
Transfer of LGPS deficit upon conversion	-	92,000
Expected return on pension scheme assets	(17,000)	(9,000)
Interest on pension liabilities	20,000	10,000
<b>Total operating charge</b>	<b>46,000</b>	114,000

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a loss of £67,000 (7 months ended 31 August 2011: £9,000).

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

**21 Pension and similar obligations (continued)**

**Movements in the present value of defined benefit obligations were as follows:**

	Year ended 31.08.2012 £	7 months ended 31.08.2011 £
<b>At 1 September</b>	<b>(336,000)</b>	-
Transfer of LGPS balances	-	(306,000)
Current service cost	<b>(43,000)</b>	(21,000)
Past service costs	-	-
Interest cost	<b>(20,000)</b>	(10,000)
Employee contributions	<b>(15,000)</b>	(8,000)
Actuarial (losses)/gains	<b>(65,000)</b>	9,000
<b>At 31 August</b>	<b>(479,000)</b>	<b>(336,000)</b>

**Movements in the fair value of Academy's share of scheme assets:**

	Year ended 31.08.2012 £	7 months ended 31.08.2011 £
<b>At 1 September</b>	<b>239,000</b>	-
Transfer of LGPS balances	-	214,000
Expected return on assets	<b>17,000</b>	9,000
Actuarial gains/(losses)	<b>7,000</b>	(18,000)
Employer contributions	<b>47,000</b>	26,000
Employee contributions	<b>15,000</b>	8,000
<b>At 31 August</b>	<b>325,000</b>	<b>239,000</b>

**Amounts for the current and previous accounting periods:**

	Year ended 31.08.2012 £	7 months ended 31.08.2011 £
Fair value of scheme assets	<b>325,000</b>	239,000
Present value of defined benefit obligation	<b>(479,000)</b>	<b>(336,000)</b>
Deficit	<b>(154,000)</b>	(97,000)
Experience gains/(losses) on scheme assets	<b>7,000</b>	(18,000)
Experience gains/(losses) on scheme liabilities	-	-

**Nicholas Hawksmoor Primary School  
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**Notes to the Financial Statements (continued)  
for the year ended 31 August 2012**

**21 Pension and similar obligations (continued)**

Projected pension expense for the year to 31 August 2013:

	2013 £
Current service cost	55,000
Interest on obligation	21,000
Expected return on scheme assets	<u>(17,000)</u>
<b>Total</b>	<b><u>59,000</u></b>

The estimated value of employer contributions for the year ended 31 August 2013 is £43,000.

**Sensitivity analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are:

<b>Change in assumptions at 31 August 2012:</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate monetary amount (£)</b>
0.5% decrease in real discount rate	14%	68,000
1 year increase in member life expectancy	3%	14,000
0.5% increase in the salary increase rate	7%	33,000
0.5% increase in pension increase rate	7%	33,000

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS 17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset than can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that an equivalent amount is already committed and is no longer available to the Governors to further the charity's objectives.

**22 Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

**23 Related Party Transactions**

Two Faces Design is a business in which D Wardle, Governor, has an interest. Transactions totalling £nil (7 months ended 31 August 2011: £443) relating to the purchase of webspace, forwarding and hosting took place in the period. There were no amounts outstanding at 31 August 2012 or 31 August 2011.

**24 Control**

The charitable company is controlled by the Governors listed on page 1.